

**A RESOLUTION**

**07-*R*-1687**

**~~BY PUBLIC SAFETY AND LEGAL ADMINISTRATION COMMITTEE:~~**

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**A RESOLUTION AUTHORIZING THE CITY ATTORNEY TO EXECUTE A FINAL RELEASE OF LIBERTY MUTUAL INSURANCE COMPANY IN CONSIDERATION OF THE PAYMENT OF THE FULL AMOUNT OF SURETY BOND RELATED TO THE LEASE AGREEMENT FOR AIRCRAFT MAINTENANCE HANGAR AND RELATED FACILITIES ON TRACT NO. 6; AND FOR OTHER PURPOSES.**

WHEREAS, on August 11, 1997, the City of Atlanta (the "City") and Delta Air Lines, Inc. ("Delta") entered into a Lease Agreement for Aircraft Maintenance Hangar and Related Facilities on Tract No. 6 (the "North Hangar Lease") with a term to expire on September 20, 2010; and

WHEREAS, Delta's performance under the North Hangar lease was secured by Surety Bond number 016018351 in the amount of \$895,849.00 (the "Surety Bond") held by Liberty Mutual Insurance Company ("Liberty Mutual"); and

WHEREAS, on September 14, 2005, Delta filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in Case No. 05-17923(ASH) in the United States Bankruptcy Court for the Southern District of New York (the "Delta Bankruptcy Case"); and

WHEREAS, during the Delta Bankruptcy Case, Delta rejected the North Hangar Lease; and

WHEREAS, the City filed proof of claim number 4810 in the Delta Bankruptcy Case for damages it incurred related to Delta's rejection of the North Hangar Lease in the amount of \$3,915,153.46 ("Rejection Damages Claim"); and

WHEREAS, Delta has agreed to permit the City to draw upon the Surety Bond, and thereafter has agreed to allow the City's Rejection Damages Claim in the amount of \$3,019,304.46; and

WHEREAS, in consideration of the payment of the full amount of the surety bond, Liberty Mutual has requested that the City execute a Final Release releasing Liberty Mutual for any future claims related to the Surety Bond; and

WHEREAS, the City Attorney, in consultation with the Aviation General Manager, have determined that it is in the best interests of the City to receive the full payout of the Surety Bond.

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE  
CITY OF ATLANTA** that the City Attorney is authorized to prepare and execute  
a Final Release, and to further execute and deliver any additional documents and  
agreements necessary and appropriate to effectuate the payout of the Surety Bond  
Number 016018351 in the amount of \$895,849.00.